



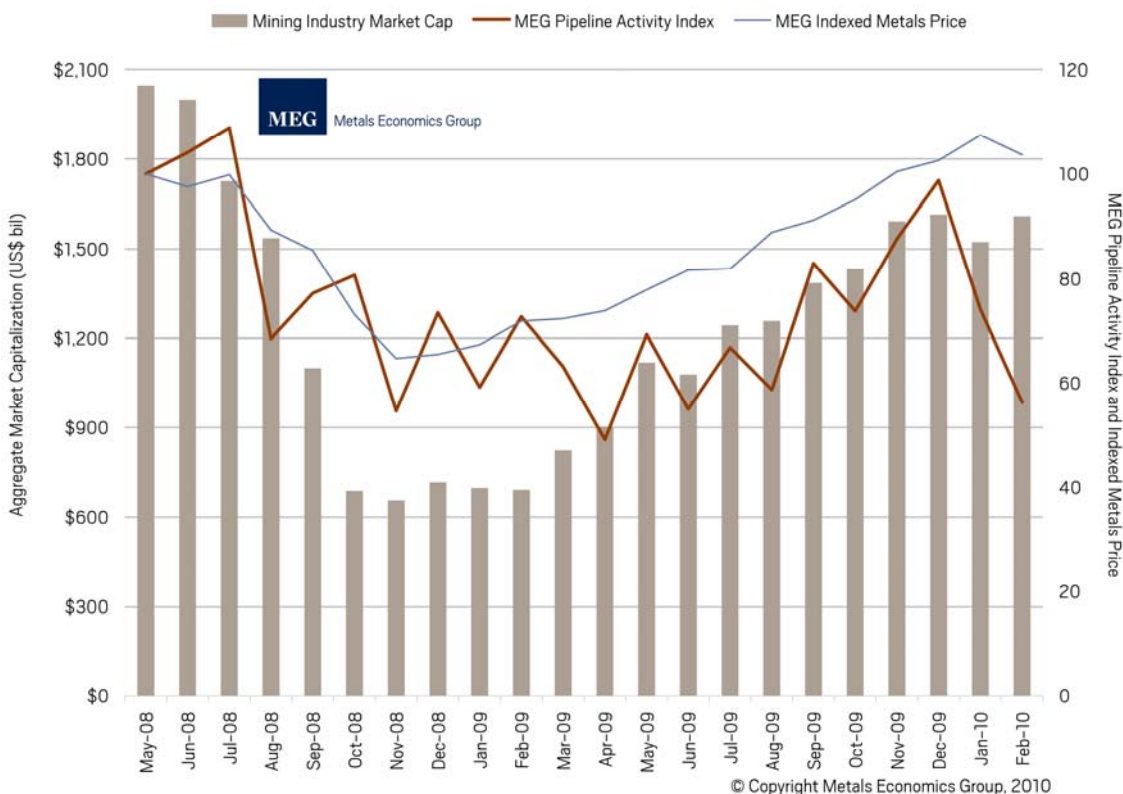
Metals Economics Group Industry Monitor, March 2010

Sharp drop in the number of significant financings completed by junior and intermediate companies in January/February 2010

Halifax, Nova Scotia, March 19, 2010 – After trending up from April 2009 and reaching almost 99 in December 2009, very close to its height of activity in the spring of 2008 (May 2008=100), the *MEG Industry Monitor's* Pipeline Activity Index (PAI) dropped for two consecutive months to just 56 at the end of February 2010.

Blended metals prices stayed at recent historical highs, while the aggregate market capitalization of the nearly 2,500 companies MEG covers remained relatively flat over the past four months. Nevertheless, the steep fall in the PAI came about as the result of a sharp drop in the number of significant financings completed by junior and intermediate companies in January/February 2010, and a continuing downtrend in the number of initial resource announcements. The number of new significant drill results and advancing late-stage projects remained steady.

MEG Pipeline Activity Index (PAI)



A more than 50% decline in gold and base metals financings follows a steady rise in their number through the latter half of 2009, which helped lift the PAI to its highest point (in December) since mid-2008. Although a recent cooling of speculative interest may have contributed to this recent drop, historical data from the past decade (notwithstanding the equity market turmoil in late 2008-early 2009) confirms that financing activity is typically lower in January and February in most years.

Overall, the number of significant gold and base metals drill results announced has remained fairly consistent since September of 2009. Despite dipping slightly in February 2010, the number of

significant results announced over the past two months remained steady compared with the November-December 2009 period, with gold continuing to account for at least two-thirds of announcements since March 2009.

The drop in the number of new initial finds—and to a lesser extent discoveries of new zones or satellite deposits—relative to the amount of extension drilling continues to account for most of the decline in significant drill results from the peak levels of 2008.

The number of initial resource announcements made in January and February remained low, continuing a downtrend that began in mid-2008. The combined value of new resources announced in January/February 2010 is down more than 10% from the previous two-month period, with most new announcements reported from North America and Australia.

The pace of late-stage projects advancing through significant project milestones in January/February 2010 has remained fairly steady with what we've seen over the last year, while the combined value of resources in advancing projects has remained relatively low since September 2009, as smaller projects dominate. According to MEG's *MineSearch* project database, the number and value of projects put on hold have continued at a relatively low rate since mid-2009, thanks to rising metals prices relieving some of the pressure on higher-cost operations.

The MEG Pipeline Activity Index is part of a new service—the MEG Industry Monitor—focused on exploration, project development, financings, and acquisitions. The MEG Industry Monitor is based on data drawn from MEG's major services (*MineSearch*, *Exploration Activity Services*, and *Acquisitions Services*) and provides early-warning signals of opportunities and emerging trends, and graphic, comprehensive backup for strategic decisions. To register for a trial of the MEG Industry Monitor, including the PAI, visit www.metalseconomics.com/IM.

About the MEG Industry Monitor and Pipeline Activity Index

The MEG Industry Monitor is a series of comprehensive graphs and charts, with related commentary, illustrating MEG's analysis of monthly changes and emerging trends in the base and precious metals pipeline. Using information only available from MEG, the Industry Monitor tracks developments based on announcements over the past two years of significant drill results, initial new resources, project development milestones, significant financings, and acquisitions. The MEG Pipeline Activity Index (PAI) indexes the relative change in overall pipeline activity compared with changes in industry market capitalization. *(BACKGROUND FOLLOWS)*

About Metals Economics Group (www.metalseconomics.com)

Metals Economics Group (MEG) provides information and analysis on the global mining industry focused on addressing both strategic and tactical business needs. Clients benefit from a painstaking commitment to accuracy, many years of experience, excellent relationships with other industry experts, an unbiased approach to reporting and analyzing the latest trends and issues, and a responsive, personal approach to customer care. Through analysis, information services, and consulting, MEG continuously builds on its foundation as the primary source of intelligence on global minerals exploration, development, and production; strategic planning issues; and acquisitions activity.

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BACKGROUND:

The MEG Industry Monitor

A New Tool for Analyzing the Developing Supply Pipeline

In developing effective strategies, explorers, acquirers, suppliers, financiers, and planners need an up-to-date view of the emerging mine supply pipeline, and of trends in financings and acquisitions, at both macro and ground levels. To meet this need, Metals Economics Group launched a new product—the **MEG Industry Monitor**. The bimonthly MEG Industry Monitor assembles and collates exhaustive current data on exploration, development, financings, and acquisitions into a form that reveals trends, provides an overview of where and how the whole supply pipeline is developing, and facilitates exploration of key strategic questions.

Where is today's successful drilling concentrated? What new gold and base metals reserves are being added to different stages of the pipeline on a month-to-month basis? Where? By whom? How does this activity compare with the recent past, and with the same period a year ago? What does it tell us about emerging areas of activity and opportunity?

The MEG Industry Monitor takes a wealth of information from a number of different MEG services, and pulls it into an integrated package of visual presentations and commentaries. MEG services used include: MineSearch, Exploration Activity Services, and Acquisitions Services.

Sections of the MEG Industry Monitor look at

- Monthly totals of **Significant Drill Results Announcements**, based on grade/length intervals and further divided into new finds, new zones or satellite deposits, and work at existing projects
- Number and value of **Initial Resource Announcements**
- Number, value, and type of late-stage **Project Milestone Announcements**—projects entering feasibility, making production decisions, entering production, or being put on hold at any of these stages
- **Significant Junior and Intermediate Company Financings**, the financing market most closely linked to exploration spending
- Project and company **Acquisitions**

To gauge levels of activity, the MEG Industry Monitor combines the numbers of new drill results, resource announcements, positive project milestones, and financings in a comparable monthly **Pipeline Activity Index (PAI)**—for all metals, and separately for base metals and gold. To provide further useful context, the PAI is plotted against a blend of precious and base metals prices, weighted by the percentage of overall exploration expenditures dedicated to each metal, and against the changes in monthly aggregate market capitalization of publicly listed precious and base metals companies worldwide.